

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suedeene G. Kelly.

Dominion Cove Point LNG, LP

Docket Nos. RP04-197-003  
RP04-197-004  
RP05-213-001

ORDER ON REHEARING AND COMPLIANCE

(Issued March 29, 2006)

1. In this order, the Commission grants the LTD-1 Shippers’<sup>1</sup> request for rehearing<sup>2</sup> of the Commission’s order issued March 25, 2005,<sup>3</sup> in Docket No. RP04-197. This order also accepts Dominion Cove Point LNG, LP’s (Cove Point) April 18 and 29, 2005 compliance filings in the captioned dockets, subject to conditions.

**I. Rehearing**

2. In the March 25, 2005 Order, the Commission acted on rehearing and compliance with regard to a March 31, 2004 Order<sup>4</sup> on Cove Point’s March 1, 2004 filing to adjust the fuel retainage percentage requirements for its storage services. Among other things, the Commission deferred consideration of a claimed underrecovery of 288,220 Dth of retained gas until Cove Point’s next NGA section 4 general rate case. The Commission

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<sup>1</sup> The LTD-1 Shippers consist of BP Energy Company, Shell NA LNG LLC, and Statoil Natural Gas LLC.

<sup>2</sup> The LTD-1 Shippers styled their petition as a “Request For Errata Or, In The Alternative, Rehearing.” Because the claimed error was not typographical or inadvertent in nature and, therefore, could not be handled by an errata, we will address the alternative request for rehearing.

<sup>3</sup> *Dominion Cove Point LNG, LP*, 110 FERC ¶ 61,366 (2005).

<sup>4</sup> *Dominion Cove Point LNG, L.P.*, 106 FERC ¶ 61,339 (2004).

stated that it arrived at the 288,220 Dth figure “by subtracting the expected fuel amount of 60,487 Dth used for sendout during August from the claimed underrecovery of 348,707 Dth.”<sup>5</sup>

3. However, on rehearing, the LTD-1 Shippers assert that, based on Cove Point’s statements at page 2 of its April 15, 2004 compliance filing in Docket No. RP04-197-001, the actual claimed underrecovery amount is 367,759 Dth, the difference between 428,246 Dth of storage gas Cove Point stated it actually used during August 2003 and the 60,487 Dth it likely would have used had August 2003 been a normal month. The LTD-1 Shippers assert that the Commission mistakenly used the incorrect base amount when calculating the underrecovery and request that the Commission correct the March 25, 2005 Order to change the deferred amount from 288,220 Dth to 367,759 Dth. The LTD-1 Shippers assert that this modification will have a significant financial impact on the LTD-1 Shippers.

4. We agree with the LTD-1 Shippers, grant rehearing, and clarify that 367,759 Dth, rather than 288,220 Dth, is the claimed underrecovery amount that is deferred until Cove Point’s next general section 4 rate case.

## **II. Compliance**

### **A. Docket No. RP04-197-004**

5. In the March 25, 2005 Order, the Commission directed Cove Point to recalculate its 2004 storage retainage percentage to recognize the deferral of the 288,220 Dth amount. In addition, the Commission granted Cove Point’s request to treat any refund obligation through the operation of its fuel tracking mechanism and, accordingly, directed Cove Point to adjust its accounting entries for purposes of its next fuel percentage proceeding.<sup>6</sup> On April 18, 2005, Cove Point filed revised tariff sheets<sup>7</sup> in Docket No. RP04-197-004 to be effective April 1, 2004, to comply with the Commission’s directive and stated that it would reflect the revised underrecovery in its next fuel percentage to be effective April 1, 2005, in compliance with the Commission’s order issued March 31, 2005,<sup>8</sup> in Docket No. RP05-213-000. Notice the filing in Docket No. RP04-197-004 was

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<sup>5</sup> 110 FERC ¶ 61,366 at P 19.

<sup>6</sup> *Id.* at P 13 and 19.

<sup>7</sup> Second Sub. Fourth Revised Sheet No. 10 and First Revised sheet No. 75 to FERC Gas Tariff, Original Volume No. 1.

<sup>8</sup> *Dominion Cove Point LNG, LP*, 110 FERC ¶ 61,399 (2005).

issued but no protests or comments were filed in response. The Commission accepts those tariff sheets effective April 1, 2004, subject to Cove Point refiling the tariff sheets to reflect the corrected 367,759 Dth quantity that is deferred until Cove Point's next general section 4 rate case.

**B. Docket No. RP05-213-001**

6. In the order issued March 31, 2005, in Docket No. RP05-213-000, the Commission accepted a tariff sheet<sup>9</sup> reflecting Cove Point's 2005 annual fuel retainage filing to be effective April 1, 2005, subject, *inter alia*, to Cove Point filing a revised tariff sheet to reflect the deferral of the 288,220 Dth as directed in the March 25, 2005 Order. On April 29, 2005, Cove Point filed a revised tariff sheet<sup>10</sup> in Docket No. RP05-213-001 in compliance with the March 31, 2005 Order, to be effective April 1, 2005. Cove Point proposed that any refund obligation in this docket be satisfied through the normal operation of the fuel tracking mechanism. Notice of the filing was issued but no protests or comments were filed. That tariff sheet is accepted effective April 1, 2005, subject to Cove Point refiling that tariff sheet to reflect the corrected 367,759 Dth quantity that is deferred until Cove Point's next general section 4 rate case. Finally, Cove Point's request to treat any refund obligation through the operation of its fuel tracking mechanism is granted.

The Commission orders:

- (A) The LTD-1 Shippers' request for rehearing is granted as discussed above.
- (B) Within 30 days of this order, Cove Point must file revised tariff sheets as discussed above.
- (C) Cove Point's proposed tariff sheets in Docket Nos. RP04-197-004 and RP05-213-001 are accepted to become effective April 1, 2004, and April 1, 2005, respectively, subject to the conditions as discussed above.

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<sup>9</sup> Fifth Revised Sheet No. 10 to FERC Gas Tariff, Original Volume No. 1.

<sup>10</sup> Substitute Fifth Revised Sheet No. 10 to FERC Gas Tariff, Original Volume No. 1.

(D) Cove Point's request to treat any refund obligation through the operation of its fuel tracking mechanism is granted.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.